

DAILY BULLETIN

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PROMOTING HUMAN RIGHTS “BEDROCK” OF FOREIGN POLICY, OFFICIAL SAYS

State Department’s Dobriansky briefs on release of 2004 human rights reports

Promoting human rights is “the bedrock” of U.S. foreign policy, and the State Department’s 2004 human rights reports represent President Bush’s commitment to “stand shoulder-to-shoulder with those who live in tyranny and hopelessness and struggle for a better life,” according to Under Secretary of State for Global Affairs Paula Dobriansky.

“Promoting human rights is not just an element of our foreign policy, it is the bedrock of our policy and our foremost concern,” said Dobriansky at a February 28 briefing announcing the release of the 2004 Country Reports on Human Rights Practices.

In a message to oppressed people throughout the world, she said, “You are not ignored and you are not forgotten ... [and] we will not excuse those who are responsible for your oppression.”

The annual reports, which chronicle the status of human rights in 196 countries in 2004, are mandated by a 1976 amendment to the Foreign Assistance Act. That law requires the secretary of state to transmit to Congress by February each year “a full and complete report regarding the status of internationally recognized human rights” in countries receiving U.S. security assistance. The first human rights reports, released in 1977, covered the human rights conditions in 82 countries.

Dobriansky said the reports put dictators and corrupt officials on notice that they are being watched and that there are consequences for their actions. She cited Cuba, China, North Korea and Burma for human rights abuses in her remarks, but said the reports detail circumstances in many other countries throughout the world.

The under secretary said the U.S. approach on human rights was clarified by President Bush in his January 20 inaugural address, when he stated: "The survival of liberty in our land increasingly depends on the success of liberty in other lands. The best hope for peace in our world is the expansion of freedom in all the world."

Dobriansky added that Bush elaborated on this statement in his February 2 State of the Union address, by stating: "Our aim is to build and preserve a community of free and independent nations with governments that answer to their citizens and reflect their own cultures. And because democracies respect their own people and their neighbors, the advance of freedom will lead to peace."

Noting the "rose revolution" in Georgia, the "orange revolution" in Ukraine, the January 30 "purple revolution" in Iraq, and growing momentum for a "cedar revolution" -- a "true democracy and freedom from foreign influence," - in Lebanon, Dobriansky said: "[W]e find ourselves in an era of monumental advancement for human rights and democracy."

"Hopeful signs span the globe, and that there should be no doubt that the years ahead will be great ones for the cause of freedom," she said, adding, "The United States will work globally to promote democracy, as democracy is the best guarantor of human rights. ... [W]e look forward to the day when all nations are part of the growing community of democracies, and tyranny and slavery exist only as a sad chapter in human history."

In much of the broader Middle East, people are increasingly conscious of the "freedom deficit" in their region, she said, asking, "If freedom and democracy work in Muslim nations like Indonesia, Turkey, Afghanistan and Iraq, why should they not be the norm in Iran, Libya, Syria and Saudi Arabia?"

The under secretary said the United States is engaged in intensive efforts to support the growth of democratic movements and institutions in every nation and culture.

"In this journey, our principles, our commitment to the freedom and the rights of individuals are our compass.

These reports are our map," she said.

In response to a question, Acting Assistant Secretary of State for Democracy, Human Rights and Labor Michael Kozak, also briefing on the release of the human rights reports, called Egyptian President Hosni Mubarak's February 26 announcement that he would permit multiparty popular elections a "positive sign."

Kozak said "the jury is still out" on the steps President Mubarak will take toward holding free and fair presidential elections. "But just the very fact that it's even being discussed is a positive sign."

"Letting opponents participate, not putting them in jail would be a first good step," he added in reference to Ayman Nour, a proponent of multicandidate elections in Egypt who was jailed January 29.

Asked about the most important message of the human rights reports for the government of Iran, Kozak said Iran is "out of phase" with what is going on in the rest of the world.

Noting the recent elections in Iraq, the Palestinian territories, and President Mubarak's talk of holding free elections, Kozak said, "[W]hat's gone on in Iran is very much the opposite. ... So Iran's got a real problem. If it wants to become a respected member of the family of nations, it's not doing the things that get you there," he said.

Asked about Saudi Arabia's human rights record in 2004, Kozak described what he called a "partial step forward." He cited positive developments such as Saudi Arabia holding municipal elections, but also noted that that women were excluded from those elections and that some members of municipal councils continue to be appointed, not elected.

Kozak added that Saudi Arabia was cited as a 2004 "country of particular concern" because of its lack of religious freedom.

The 2004 Country Reports on Human Rights Practices are available at:

<http://www.state.gov/g/drl/rls/hrrpt/2004/index.htm>

U.S.-EU AGREEMENT ON BROWN RICE REACHED IN TRADE DISPUTE

United States retains WTO right to retaliate if tariff raised again

The United States and the European Union (EU) have reached agreement ending, at least for now, a World Trade Organization (WTO) case concerning EU tariffs on imports of brown rice, according to the Office of the U.S. Trade Representative (USTR).

In a February 28 press release, USTR said the agreement lowers the EU tariff rate, opening the market to more U.S. exports, and preserves the United States' right to retaliate with trade sanctions if the EU raises the tariff again.

It said the WTO General Council in Geneva approved the agreement February 28.

In conjunction with its Common Agricultural Policy subsidies reform, the EU set the tariff rate at 65 euros per metric ton in September 2004, but the United States objected that the rate exceeded the rate to which the EU committed as part of its WTO obligations.

Under the agreement just announced for this dispute, the EU should impose a tariff rate of 30 euros if imports fall below a certain threshold and a rate of 42.5 euros if the volume of imports changes little; the threshold level would rise over time, USTR said.

The adjustment mechanism is scheduled to take effect March 1.

While the agreement allows the EU to raise the rate back up to 65 euros, it also continues indefinitely the U.S. right to impose retaliatory tariffs against imports from the EU, according to USTR. Ordinarily, under WTO rules the United States would have lost its right to retaliate March 1, six months after the EU raised its tariff.

"While we were ready to exercise our WTO rights to withdraw concessions, resolving this issue bilaterally is a much better outcome for everyone," said Peter Allgeier, acting U.S. trade representative.

Following is the text of the press release:

February 28, 2005

United States and Europe Reach Agreement on U.S. Rice Exports:

Expanding U.S. Access to European Markets

WASHINGTON -- The Office of the United States Trade Representative announced today that the United States has reached an agreement with the European Union (EU) ensuring market access for U.S. brown (husked) rice exports to the EU, resolving a major trade dispute and preventing the March 1 withdrawal of tariff concessions.

The U.S.-EU rice agreement will enhance and strengthen market access opportunities for U.S. brown rice exports into the EU market, valued at \$33 million a year, on average, since 1999. The EU is the top market for U.S. brown rice exports.

"I am pleased we have been able to resolve this dispute with Europe in a way that expands market opportunities for U.S. rice exporters. We felt that the new European system was unfair, and working with our industry, we have been actively discussing how to solve this problem with our European counterparts for a number of months," said Acting U.S. Trade Representative Peter Allgeier. "While we were ready to exercise our WTO rights to withdraw concessions, resolving this issue bilaterally is a much better outcome for everyone."

Ambassador Allen F. Johnson, Chief U.S. Agriculture Negotiator, expressed appreciation to his counterpart, EU Director General of Agriculture Jose Manuel Silva, for his efforts to find a resolution. "This is a very good agreement for U.S. rice farmers, as well as European consumers, who will enjoy better access to our high-quality rice," said Johnson. "I also want to thank the U.S. Department of Agriculture for its invaluable assistance in these negotiations."

On September 1, 2004, the EU changed its rice import system by raising tariffs on brown rice imports above the rate to which it had agreed as part of the EU's WTO obligations. Under WTO rules, when a member makes a change in its tariff obligations, its major trading partners in the affected products are able to negotiate offsetting benefits. The EU has substantially increased tariffs on U.S. rice exports. If the U.S. and the EU had not been able to reach this agreement, the U.S. had the right to raise tariffs on an offsetting amount of imports of prod-

ucts of which the EU is the dominant supplier in order to compensate for the higher EU tariff.

Key elements of the agreement include:

-- An applied tariff adjustment mechanism that will facilitate trade: If EU imports of brown rice, excluding basmati rice, fall below a certain reference level, the applied tariff will automatically be lowered to 30 euros per metric ton. If there is little change in trade, the applied tariff will be set at 42.5 euros per metric ton. The adjustment mechanism also allows the EU tariff to return to the bound rate of 65 euros per metric ton if imports substantially increase. The adjustment mechanism will be applied starting March 1, 2005.

-- Allowance for growth: The import reference levels will be adjusted in the future to provide for growth.

-- New consultative/transparency mechanisms: Consultation and transparency provisions will facilitate administration of the new import regime.

-- U.S. maintains its WTO rights: A key component of the agreement is that the United States maintains its WTO (Article XXVIII) rights.

Background:

Until September 1, 2004, the EU had determined the tariff for brown rice imports under the margin of preference (MOP) regime negotiated during the Uruguay Round. The MOP regime allowed the EU's applied tariff rate to be set lower than the bound tariff rate, based on the differential between the EU intervention (support) price and the reference import price, taking into account an adjustment factor. EU reforms to the Common Agricultural Policy (CAP) in 2003 significantly lowered the intervention price for rice, which would have led to a substantial reduction in the EU rice tariff under the MOP. As part of the CAP reform package, the EU received a mandate from the Council to renegotiate the MOP under the terms of Article XXVIII of the General Agreement on Tariffs and Trade 1994.

Pursuant to WTO rules, the EU has been negotiating with the United States since 2003 with respect to trade compensation. On January 28, 2005, the United States notified the WTO of its intent to withdraw substantially equivalent concessions by March 1 if an agreement could not be reached.

An important part of the agreement between the United States and EU is the extension of the deadline for withdrawing concessions under GATT [General Agreement on Tariffs and Trade] Article XXVIII, which will safeguard U.S. WTO rights. The United States and EU asked the General Council of the WTO, on February 28, 2005, formally to agree to the extension of the Article XXVIII deadline. The General Council has approved this extension. Given the positive General Council decision, the United States will not withdraw concessions on the products notified to the WTO on March 1.

ACTING U.S. TRADE CHIEF TO ATTEND KENYA MEETING ON WTO

Allgeier says series of meetings needed to provide energy, direction

Acting U.S. Trade Representative Peter Allgeier will attend an informal meeting of trade ministers in Kenya to advance World Trade Organization (WTO) negotiations, the Office of the U.S. Trade Representative (USTR) says.

In a February 28 press release, Allgeier said the March 2-3 Kenya meeting and a few other informal and formal meetings to follow are needed "to provide additional energy and direction to the negotiations," especially in the core areas of agriculture, goods, services, trade facilitation and development.

Allgeier was named acting trade representative when former U.S. Trade Representative Robert Zoellick took the position of deputy secretary of state.

The negotiations -- launched in 2001 and formally called the Doha Development Agenda (DDA) -- were stalled for years over difficult agricultural-trade issues until a breakthrough agreement on a framework for continuing work was achieved at the July 2004 WTO General Council meeting.

Reaching certain milestones during 2005 would indicate whether the negotiations can conclude in 2006 with an agreement. Informal meetings of trade ministers are scheduled through July, starting with the Kenya meeting. By the July meeting of the General Council, the negotia-

tors will have to achieve what they are calling a “first approximation.” By the WTO ministers’ meeting December in Hong Kong, the parties will have to produce what they are calling an “end game document” for finishing the negotiations over 2006.

Following is the text of the press release:

February 28, 2005

Acting USTR Allgeier to Attend Informal Meeting of Trade Ministers, in Kenya, March 3-4

WASHINGTON -- Acting United States Trade Representative Peter F. Allgeier will attend an informal meeting of trade ministers in Mombassa, Kenya, March 3-4 focused on advancing the ongoing Doha round of trade negotiations in the World Trade Organization (WTO). The informal talks provide an opportunity to assess the progress of the negotiations in Geneva, and to provide “capital based” Minister level guidance for the negotiations.

“The mood and energy of the Doha negotiations have ramped up since the beginning of the year, with informal Ministerial meetings in Davos, the recent WTO Trade Negotiations Committee meeting, and the in-depth consultations among capital-based senior officials hosted by the United States. Much difficult work remains, but Ministers are committed to pushing the negotiating process forward in Geneva, particularly in the core areas of the negotiations: agriculture, goods, services, rules including trade facilitation, and development,” said Acting USTR Allgeier. “As we prepare for the Hong Kong ministerial meeting, these informal gatherings of ministers need to provide additional energy and direction to the negotiations.

“As President Bush said in Brussels last week, the United States is firmly committed to the Doha negotiations, and we look forward to working with developed and developing countries alike in advancing the talks,” Allgeier added. “In continuing to provide leadership to advance Doha, we will continue to also press all the WTO Members to step up and contribute, because Doha truly provides the best opportunity to promote continued global economic growth and hope and opportunity.”

“We are grateful to Kenyan Trade Minister Kituyi for taking the initiative to host this meeting. This is part of a positive pattern of Kenyan and African engagement, which we are confident will continue. Approximately a

year ago, Kenya hosted an important meeting of African trade ministers, at which both the U.S. and the EU [European Union] participated, and it was one of a series of key meetings in 2004 which led to our successful and historic framework last July in Geneva,” said Allgeier.

Joining Ambassador Allgeier at the meeting will be Ambassador Allen Johnson, Chief Agriculture Negotiator, and Dorothy Dwoskin, Assistant U.S. Trade Representative for WTO and Multilateral Affairs.

Background on U.S. Efforts to Advance the Doha Negotiations:

In 2004, the United States pressed for action on the Doha agenda. Then U.S. Trade Representative Robert B. Zoellick stated in a January letter to all WTO Ministers that 2004 should not be a lost year for Doha negotiations, and it outlined a number of practical suggestions and ways to put the negotiations back on track. In February, he traveled over 32,000 miles around the world and met with over 40 counterparts, including Mombassa, Kenya, to hear their views and discuss how best to get the negotiations back on track. In May, Zoellick hosted a small gathering of colleagues in London to facilitate a discussion about how to keep the Doha negotiations moving forward. He joined Ministers from the EU, India, and Australia at a gathering hosted by Brazil in Sao Paulo in early June. He also joined these colleagues at a meeting in Paris and then traveled to Mauritius on July 12 for a meeting of some of the so-called G-90, a group of ACP (African, Caribbean and Pacific), and African Union, and Least Developed Countries. In Geneva last July the Doha negotiations were moved ahead with an agreement that puts the WTO on course to open markets for agriculture, goods and services. The Framework provides structure and direction to the ongoing trade talks, which are designed to promote global economic growth and development in developed and developing countries.

Background on U.S. Negotiating Proposals:

Within the Doha negotiations, the United States was the first WTO member to put forward a comprehensive agricultural trade reform proposal, calling for elimination of export subsidies, cuts of \$100 billion in annual allowed global trade-distorting domestic subsidies, and lowering average allowed global tariffs from 62 percent to 15 percent. The United States also proposed that WTO members agree in this negotiation to a specific date for elimination of agricultural tariffs and trade-distorting domestic support.

The United States proposed eliminating all tariffs on consumer and industrial goods by 2015. The U.S. plan for zero tariffs is comprehensive, would benefit both developed and developing nations, and would eliminate tariffs on the over \$6 trillion in annual world goods trade, lifting the economic fortunes of workers, families, businesses, and consumers. A University of Michigan study estimates that global free trade in goods and services would raise U.S. annual income by \$500 billion as a result of tariff-free trade -- contributing to higher paying jobs. The same study found gains of up to \$690 billion for the EU and EFTA [European Free Trade Association] together (Western Europe).

In services, the United States proposed liberalizing global trade in services by removing foreign barriers in areas such as financial services, telecom, express delivery, energy, among others. Service industries are a major component of U.S. economic activity, accounting for 80 percent of U.S. employment and 63 percent of the U.S. Gross Domestic Product (GDP). The United States also is the world's largest exporter of services. U.S. services exports have increased more than 70 percent in the last 10 years, increasing from \$199 billion in 1994 to \$340 billion in 2004 (estimated from 11 months' data).

According to the World Bank, developing countries would gain nearly two-thirds of the benefit from global free trade in goods including agriculture. Their increase in annual income would amount to \$539 billion. The bank further found that free trade could help lift 300 million people out of poverty -- a number greater than the entire population of the United States.

UNITED STATES ADDS \$10 MILLION TO ACEH TSUNAMI-RELIEF EFFORTS

Funds intended to help displaced people re-establish their livelihoods

The U.S. government, through the U.S. Agency for International Development (USAID), is providing an additional \$10 million for reconstruction in Aceh, Indonesia, which was devastated by the Indian Ocean tsunami.

In a February 25 news release, the U.S. Embassy in Jakarta announced that the additional funding will "reintegrate displaced people back to their communities and

support the re-establishment of livelihoods. This includes entrepreneurial, small business and other income generating activities to revitalize local economies."

USAID Mission Director William M. Frej, quoted in the release, said, "The U.S. Government's reconstruction activities will foster smooth transition from relief to long-term recovery, and rehabilitate critical large and small infrastructure projects in order to restore basic services, such as health and education. Activities will revitalize economic livelihoods and foster the return of people to revived communities."

Following is the text of the press release:

USAID Moves Additional Assistance for Aceh

February 25, 2005

Continuing its support of tsunami-affected communities, the U.S. Government, through the U.S. Agency for International Development (USAID), is providing an additional \$10 million for development and reconstruction projects.

The additional funding will reintegrate displaced people back to their communities and support the re-establishment of livelihoods. This includes entrepreneurial, small business and other income generating activities to revitalize local economies. Funds will rehabilitate small-scale infrastructure, such as roads, schools, clinics, and key local government facilities, and help restore core local governance capacity and services. Health, hygiene, water and sanitation will remain a priority, particularly in under-served areas. USAID will conduct an assessment of the coastal environment to respond to the needs of coastal communities.

The additional \$10 million will increase the total assistance provided by the U.S. Government to Indonesia to more than \$52.1 million. President Bush is seeking a total of \$950 million in aid to tsunami-affected countries for reconstruction of infrastructure, to help victims transition back to their communities, for early warning and disaster mitigation efforts, for good governance and technical assistance.

The U.S. Government, through USAID, will provide additional grant assistance to support the people of Aceh and North Sumatra as they rebuild. According to William M. Frej, USAID Mission Director, "The U.S. Government's reconstruction activities will foster smooth transi-

tion from relief to long-term recovery, and rehabilitate critical large and small infrastructure projects in order to restore basic services, such as health and education. Activities will revitalize economic livelihoods and foster the return of people to revived communities.” Priorities under review include: 1) infrastructure prioritized by these communities, in addition to large signature infrastructure; 2) shelter; 3) early warning/disaster mitigation; 4) good governance and administration; 5) restoration of livelihoods.

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